

HOUSE BILL 90 of the First Extraordinary Session
By Jackson

AN ACT to amend Tennessee Code Annotated, Title 63 and Title 67, relative to the creation of tax credits for TennCare participating health care providers.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. The General Assembly finds that a substantial segment of health care professionals do not participate in the TennCare program. In order to encourage such participation and to thus enhance the TennCare networks and the quality of health care provided to its citizens, the General Assembly finds it is appropriate to provide financial incentives to health care providers who participate in TennCare.

SECTION 2. Tennessee Code Annotated, Section 67-4-808, is amended by adding the following as a new, appropriately designated subdivision:

() There shall be allowed a credit for any taxpayer against the tax imposed under this part for any income year in which such taxpayer participates as a health care provider in a TennCare managed care or behavioral health organization. Such credit shall be based upon the level of participation by the provider in the TennCare program. Providers who accept all presenting TennCare enrollees shall receive a credit of fifty percent (50%), up to a maximum of two hundred thousand dollars (\$200,000) of the tax liability shown by any such return before the credit is taken. Providers whose TennCare patients constitute twenty-five percent (25%) or above of their total patients shall receive a credit of ten percent (10%), up to a maximum of fifty thousand dollars (\$50,000).

SECTION 3. Tennessee Code Annotated, Section 67-4-908, is amended by adding the following as a new, appropriately designated subdivision:

() There shall be allowed a credit for any taxpayer against the tax imposed under this part for any income year in which such taxpayer participates as a health care provider in a TennCare managed care or behavioral health organization. Such credit shall be based upon the level of participation by the provider in the TennCare program. Providers who accept all presenting TennCare enrollees shall receive a credit of fifty percent (50%), up to a maximum of two hundred thousand dollars (\$200,000) of the tax liability shown by any such return before the credit is taken. Providers whose TennCare patients constitute twenty-five percent (25%) or above of their total patients shall receive a credit of ten percent (10%), up to a maximum of fifty thousand dollars (\$50,000).

SECTION 4. The department of revenue, with the assistance of the TennCare bureau and the department of commerce and insurance, shall promulgate any rules necessary to ensure the orderly implementation and administration of this section.

SECTION 5. For the purpose of promulgation of rules, this act shall take effect immediately, the public welfare requiring it. For all other purposes, this act shall take effect on July 1, 1999, the public welfare requiring it.